

Message Text

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XMB-02 OPIC-03 SP-02 LAB-04 SIL-01 OMB-01 L-03

H-01 NSC-05 SS-15 STR-05 CEA-01 PA-01 PRS-01

AGRE-00 OES-07 /115 W

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R 050615Z DEC 77

FM AMEMBASSY MANILA

TO SECSTATE WASHDC 8728

INFO AMEMBASSY DACCA

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USADB

FOR NAC AGENCIES

E.O. 11652: N/A

TAGS: EAID, EFIN, BG

SUBJECT: PROPOSED ADB AQUACULTURE DEVELOPMENT PROJECT (BANGLADESH)

SUMMARY: ADB MANAGEMENT PROPOSING \$18.0 MILLION LOAN FROM SPECIAL FUND RESOURCES TO INCREASE FISH SUPPLY IN BANGLADESH FOR DOMESTIC CONSUMPTION AND EXPORT BY IMPROVING AND EXPANDING AQUACULTURE FACILITIES, EQUIPMENT AND EXPERTISE. PROPOSED PROJECT CONSISTS OF EIGHT SUBPROJECTS, INCLUDING TWO AIMED AT EXPANDING SHRIMP SUPPLY. ACCORDING TO STAFF SUBPROJECTS ARE SUFFICIENTLY INDEPENDENT TO PREVENT AN OVERLOADING OF EXECUTING AGENCIES ADMINISTRATIVE CAPABILITIES. PROJECT CONSIDERED TECHNICALLY AND ECONOMICALLY FEASIBLE. WHEN COMPLETED PROJECT WILL PROVIDE DIRECT EMPLOYMENT TO ABOUT 4,000 PERSONS. IN ADDITION; IT WILL PROVIDE AN AVERAGE OF OVER 6,000 FULL TIME JOBS ANNUALLY OVER FIVE YEAR CONSTRUCTION PERIOD. IT WILL ALSO PROVIDE PROTEIN REQUIREMENTS FOR 3.7 MILLION PEOPLE BY 1983/84.

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RECOMMEND FAVORABLE NAC ACTION.

1. DOCUMENT R132-77 WITH ATTACHMENTS POUCHED NOV. 25. BOARD CONSIDERATION SCHEDULED FOR DECEMBER 13.

2. FISHERY SECTOR PLAYS AN IMPORTANT ROLE IN ECONOMY OF BANGLADESH, AND FISH CONSTITUTES A MAJOR SOURCE OF ANIMAL

PROTEIN IN DIET OF THE PEOPLE. COUNTRY IS ENDOWED WITH EXTENSIVE INLAND WATERS AND RICH MARINE FISHERIES RESOURCES. IT HAS ABOUT 1.47 MILLION HA. OF INLAND WATERS AND A COASTLINE OF ABOUT 350 KM. A CONSIDERABLE AREA OF THE INLAND WATERS CAN BE DEVELOPED FOR FRESH AND BRACKISH WATER AQUACULTURE.

3. FISH ACCOUNTS FOR 80 PERCENT OF ANIMAL PROTEIN IN DIET OF THE POPULATION. ON OTHER HAND, AVERAGE ANNUAL PER CAPITA CONSUMPTION OF FISH IN LAST TEN YEARS HAS BEEN VERY LOW (10-12 KG.) COMPARED WITH OTHER COUNTRIES IN THE REGION. THIS IS DUE TO LOW PER CAPITA INCOME, HIGH POPULATION GROWTH RATE, AND LOW PRODUCTION LEVELS BECAUSE OF OBSOLETE AND INADEQUATE FACILITIES AND EQUIPMENT. PER CAPITA FISH CONSUMPTION IS PROJECTED TO REACH 14 KG. PER ANNUM IN 1980; THIS TARGET WOULD BE DIFFICULT TO ACHIEVE UNLESS PRODUCTION IS SUBSTANTIALLY INCREASED. REGARDING ALTERNATIVE SOURCES OF ANIMAL PROTEIN; THERE IS CONSIDERABLE SCOPE FOR INCREASING POULTRY PRODUCTION, WHILE CATTLE PRODUCTION IS RATHER LIMITED BECAUSE GRAZING LANDS ARE SCARCE.

4. OBJECTIVES OF PROJECT ARE BOTH ECONOMIC AND SOCIAL. PROJECT WILL ENSURE INCREASE IN FISH PRODUCTION THROUGH AQUACULTURE DEVELOPMENT TO: (I) MEET GROWING LOCAL DEMAND FOR FISH; (II) IMPROVE INCOME AND EMPLOYMENT OPPORTUNITIES OF FISHERMAN AND FISH FARMERS; AND (III) GENERATE EXPORT EARNINGS.

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5. PROPOSED PROJECT CONSISTS OF EIGHT SUBPROJECTS. CONSULTANTS ENGAGED UNDER THE BANK'S TECHNICAL ASSISTANCE FOR THE PROJECT IDENTIFIED 21 POSSIBLE SUBPROJECTS IN BOTH INLAND AND MARINE FISHERIES SUBSECTORS. DURING INTERIM TRIPARTITE DISCUSSIONS BETWEEN THE GOVERNMENT, THE BANK AND THE CONSULTANTS, IT WAS AGREED THAT PRIORITY SHOULD GENERALLY BE GIVEN TO THOSE SUBPROJECTS THAT (I) WOULD INCREASE FISH PRODUCTION FOR DOMESTIC MARKET, (II) WOULD GENERATE SUBSTANTIAL EMPLOYMENT FOR LOW INCOME GROUPS, AND (III) COULD BE SUCCESSFULLY IMPLEMENTED DESPITE THE EXISTING TECHNICAL AND INSTITUTIONAL CONSTRAINTS.

6. SUBPROJECTS INCLUDE: (I) FISH HATCHERIES AND FISH STOCKING IN IMPOUNDED INLAND WATERS: UNDER THIS SUBPROJECT FIVE FISH HATCHERIES WOULD BE ESTABLISHED. FISH TO BE STOCKED WILL BE THE MAJOR CARP SPECIES EXISTING IN THE COUNTRY. CARP FRY FOR 373 MILLION FINGERLINGS FOR STOCKING WILL COME FROM THESE HATCHERIES. (II) FRESH WATER SHRIMP HATCHERY; UNDER THIS SUBPROJECT, SUPPLY OF FRESH-WATER SHRIMPS WILL BE INCREASED THROUGH PRODUCTION OF SHRIMP FRY IN A HATCHERY AND REARING OF THESE FRY FOR 50 DAYS BEFORE STOCKING INTO INLAND FRESH

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INFO OCT-01 EA-10 NEA-10 ISO-00 IO-13 AID-05 CIAE-00
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WATERS. IT IS PROPOSED TO ESTABLISH A SHRIMP FRY HATCHERY
HAVING A TOTAL SHRIMP FRY PRODUCTION OF 10.5 MILLION FRY PER
YEAR. (III) FISH PENS IN INLAND WATERS: MAIN OBJECTIVE OF
THIS SUBPROJECT IS TO INCREASE INLAND FISH PRODUCTION THROUGH
INTRODUCTION OF AQUACULTURE BY USE OF FISH PENS. FOR THIS
PURPOSE, 100 HA. OF INLAND WATERS WILL BE UTILIZED FOR
CONSTRUCTION OF FISH PENS. THE TECHNIQUE ENTAILS THE
STOCKING OF FISH SEED IN THE PEN AND THE RAISING OF FISH
INTO MARKETABLE SIZE. INTRODUCTION OF FISH PENS HAS THE
TECHNICAL ADVANTAGES OF HIGHER RATE OF GROWTH AND THUS
INCREASE PRODUCTION OF FISH PER UNIT AREA, AND SERVING OF
SPACES BETWEEN FISH PENS AS BREEDING GROUNDS FOR FISH. (IV)
FISH CAGES IS KAPTAI LAKE: OBJECTIVE OF THIS SUBPROJECT IS
TO INCREASE FISH PRODUCTION USING A HATCHERY AND FISH CAGES.
FISH HATCHERY AND A DEMONSTRATION CAGE WILL BE CONSTRUCTED
TO SUPPLY REQUIRED FINGERLINGS TO THE FISH CAGES. A TOTAL OF
400 HA. WILL BE USED FOR FISH CAGES IN LAKE KAPTAI WHICH HAS
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AN AREA OF ABOUT 90,000 HA. (V) SMALL-HOLDER FISHPOND AND SHRIMP ESTATE: MAJOR OBJECTIVE OF THIS SUBPROJECT IS TO ESTABLISH FISH AND BRACKISH WATER SHRIMP OND ESTATE OF 800 HA. A NET AREA OF 540 HA. WILL BE DIVIDED INTO FAMILY SIZE FISH-SHRIMP POND OF 4.5 HA.; ABOUT 120 UNITS WILL BE DEVELOPED. THESE FISHPOND UNITS WILL BE MADE AVAILABLE TO PRIVATE OPERATORS AND/OR COOPERATIVES, PREFERABLY THOSE IN VICINITY. (V8) FISH NET FACTORY: FISHING NET MAKING IS ONE OF THE WEAKEST AREAS OF THE FISHERY INFRASTRUCTURE IN BANGLADESH. ACCORDING TO A CONSERVATIVE ESTIMATE, A TOTAL OF 850,000 LB. PER ANNUM OF GILL NETS IS REQUIRED TO SERVICE THE FISHING INDUSTRY. AS AGAINST THIS REQUIRMENT, PRESENT SUPPLY IS ONLY ABOUT 15 PERCENT. THERFORE, THIS SUBPROJECT PROVIDES FOR ONE FISHING NET PLANT TO BE ESTABLISHED BY PRIVATE SECTOR TO PRODUCE 240,000 LB. OF NETS ANNUALLY TO SATISFY A PORTION OF THE TOTAL REQUIREMENT. (VII) FISH PROCESSING FACILITY: IN ORDER TO ENSURE IMPROVED METHODS OF FISH PROCESSING PARTICULARLY FOR MARINE FISH, THIS SUBPROJECT PROVIDES FOR ESTABLISHMENT OF FISH PROCESSING FACILITIES. PROCESSING PLANT WILL DEAL ONLY WITH IMPROVED METHODS OF SALTING AND DRYING OF FISH AND SHRIMPS BY ADOPTING RECENT DEVICES MADE AT TASMANIA UNIVERSITY IN AUSTRALIA. METHOD ENTAILS USE OF A SIMPLY POLYETHYLENE TENT WITH ONE SIDE STAINED IN BLACK, THE OTHER CLEAR SIDE FACING THE SOUTH. DURING MONSOON, THE TENT WHICH IS COLLAPSIBLE CAN BE EASILY REMOVED AND STORED. THIS METHOD HAS BEEN SUCCESSFULLY USED ON AN EXPERIMENTAL BASIS IN BANGLADESH. (VIII) ICE PLANTS AND STORAGE FACILITIES: SHORTAGE OF ICE IS ONE OF THE MAJOR BOTTLENECKS IN FURTHER INCREASING THE FISH CATCH AND EXPANDING MARKETING TO REMOVE CONSUMING CENTERS. ONE 10 M.T./DAY ICE PLANT AND A 50 M.T./DAY ICE/FISH STORAGE ARE PROPOSED FOR EACH OF THREE SITES.

7. DEPARTMENT OF FISHERIES (DOF) WILL BE RESPONSIBLE FOR LIMITED OFFICIAL USE

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IMPLEMENTATION OF SUBPROJECT 1 UNDER WHICH FIVE FISH HATCHERIES WILL BE ESTABLISHED. FISH FINGERLING WILL BE SUBSEQUENTLY STOCKED IN VARIOUS IMPOUNDED FRESH-WATERS. IT WILL BE RESPONSIBILITY OF DOF TO DISTRIBUTE THE FINGERLING EFFECTIVELY AND ON TIME. DOF WILL ALSO IMPLEMENT SUBPROJECTS 2, 3, 4 AND 5 JOINTLY WITH BANGLADESH KRISHI BANK (BKB) (SEE PARA 9). ROLE OF DOF WILL BE TO SELECT APPROPRIATE SITES, DESIGN AND CONSTRUCT HATCHERIES, NURSERIES AND DEMONSTRATION PONDS WITH EQUIPMENT PROVIDED UNDER PROJECT AND MAINTAIN SUCH FACILITIES. DOF WILL ALSO PREPARE THE MASTER PLAN, DESIGN AND LAYOUT OF THE ENTIRE BRACKISH WATER SHRIMP FARMING SITE AT CHAKARIA SUNDARBAN. CONSTRUCTION OF FISH PENS AND FISH CAGES WILL BE UNDERTAKEN BY INDIVIDUAL BKB SUB-BORROWERS UNDER TECHNICAL SUPERVISION OF DOF. DF WILL MAKE AVAILABLE THE CON-

STRUCTION EQUIPMENT TO BKB ON PAYMENT COMMENSURATE WITH USE OF SUCH EQUIPMENT FOR CONSTRUCTION OF COMMERCIAL FISH-SHRIMP PONDS TO BE CONSTRUCTED BY LOCAL CONTRACTORS. DIF WILL ALSO HELP BKB IN IDENTIFYING AND SELECTING SUITABLE SUB-BORROWERS UNDER PROJECT.

8. TO IMPLEMENT PROJECT, DOF WILL ESTABLISH A PROJECT MANAGEMENT OFFICE IN DACCA. IT WILL BE HEADED BY A PROJECT DIRECTOR WITH THE RANK OF A PRINCIPAL SCIENTIFIC OFFICER OF DEPARTMENT WHO WILL BE RESPONSIBLE TO THE DIRECTOR OF DOF. OFFICE WILL BE SUITABLY STAFFED TO SATISFACTION OF THE BANK, WITH COMPETENT TECHNICAL AND ADMINISTRATIVE PERSONNEL.

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9. BKB WILL BE EXECUTING AGENCY FOR SUBPROJECTS 6 (FISHING NET MAKING PLANT), 7 (FISH PROCESSING FACILITIES) AND 9 (ICE PLANTS AND STORAGE FACILITIES). TO IMPLEMENT THESE SUBPROJECTS, BKB'S RESPONSIBILITY INCLUDES SELECTION OF APPROPRIATE SITE AND SUB-BORROWERS FROM PRIVATE SECTOR OR COOPERATIVES AND LOAN ADMINISTRATION OF SUB-LOANS. IN CONSULTATION WITH DOF, BKB WILL ALSO IDENTIFY AND SELECT SUB-BORROWERS FOR SUBPROJECTS 2 (FRESH-WATER SHRIMP (M. ROSENBERGII) HATCHERY AND ITS REARING IN FISHPONT), 3 (FISH PENS IN INLAND WATERS), 4 (FISH CAGES IN KAPTAI LAKE) AND 5 (SMALLHOLDER

FISHPOND AND SHRIMP ESTATE IN CHAKARIA SUNDARBAN).

10. ACTIVITIES OF THE TWO EXECUTING AGENCIES, NAMELY, BKB AND DOF ARE CLOSELY INTER-RELATED. FOR EFFECTIVE IMPLEMENTATION OF PROJECT, GOVERNMENT WILL ESTABLISH A COORDINATING COMMITTEE TO INCLUDE VARIOUS AGENCIES AND AUTHORITIES WHICH WILL PARTICIPATE IN EXECUTION AND OPERATION OF PROJECT. MAIN LIMITED OFFICIAL USE

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FUNCTION OF THE COMMITTEE WILL BE TO HELP SOLVE ALL MAJOR POLICY ISSUES AS WELL AS MAJOR IMPEDIMENTS TO IMPLEMENTATION OF PROJECT.

11. EIGHT FOREIGN CONSULTANTS WILL BE RECRUITED FROM A CONSULTING FIRM BY DOF IN ACCORDANCE WITH THE BANK'S GUIDELINES ON USES OF CONSULTANTS. THREE CONSULTANTS WILL ASSIST THE EXECUTING AGENCIES IN PROCUREMENT AND FIVE CONSULTANTS WILL ASSIST IN IMPLEMENTATION AND OPERATION OF THE PROJECT. TO PREPARE TENDER DOCUMENTS INCLUDING SPECIFICATIONS FOR THE PROJECT, DOF WOULD RECRUIT THREE FOREIGN CONSULTANTS. CONSULTANTS WILL COMPRISE ONE HATCHERY SPECIALIST, ONE FISH PEN AND FISH CAGE SPECIALIST AND ONE FISHING NET MAKING EXPERT; FORMER TWO CONSULTANTS FOR 3 MAN-MONTHS EACH AND LATTER FOR 2 MAN-MONTHS. HATCHERY SPECIALIST AND FISH PEN AND FISH CAGE SPECIALIST WILL BE ATTACHED TO DOF AND THE FISHING NET MAKING EXPERT WILL BE ATTACHED TO BKB.

12. TO IMPLEMENT AND OPERATE THE PROJECT, DOF WILL RECRUIT FIVE FOREIGN CONSULTANTS. (CONSULTANTS WILL INCLUDE ONE PROJECT ADVISOR (GENERAL FISHERIES SPECIALIST), ONE FISH HATCHERY AQUACULTURIST ATTACHED TO SUBPROJECT 1, ONE FRESH-WATER SHRIMP AQUACULTURIST ATTACHED TO SUBPROJECT 2, ONE FISH PEN AND FISH CAGE SPECIALIST ATTACHED TO SUBPROJECTS 3 AND 4, ONE BRACKISH WATER/SHRIMP/FISH AQUACULTURIST ATTACHED TO SUBPROJECT 5, EACH FOR 18 MONTHS FOR A TOTAL OF 90 MAN-MONTHS. PROJECT ADVISOR WILL BE ATTACHED TO BKB AND THE REST OF THE CONSULTANTS WILL WORK WITH DOF.

13. PROJECT INCLUDES PROCUREMENT OF TRUCKS, JEEP TYPE VEHICLES, FIBERGLASS REINFORCED PLASTIC BOATS, ENGINES FOR SMALL BOATS AS WELL AS PROVISION OF VARIOUS EQUIPMENT AND SUPPLIES. ALL PROCUREMENT OF GOODS AND SERVICES TO BE FINANCED BY BANK LIMITED OFFICIAL USE

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UNDER THE PROJECT WILL BE MADE BY BKB IN ACCORDANCE WITH THE BANK'S GUIDELINES FOR PROCUREMENT. EACH SUPPLY CONTRACT FOR

EQUIPMENT AND MATERIALS ESTIMATED TO COST AT EQUIVALENT OF \$100,000 OR MORE WILL BE AWARDED ON THE BASIS OF INTERNATIONAL COMPETITIVE BIDDING. SUPPLY CONTRACTS FOR EQUIPMENT AND MATERIALS ESTIMATED TO COST LEASS THAN \$100,000 EQUIVALENT WILL BE AWARDED ON THE BASIS OF BIDS OR QUOTATIONS OBTAINED FROM A REASONABLE NUMBER OF SUPPLIERS FROM MORE THAN ONE ELIGIBLE COUNTRY. ALL CONSTRUCTION WORKS, BOTH FOR BKB AS WELL AS FOR DOF WILL BE UNDERTAKEN BY LOCAL CONTRACTORS TO BE SELECTED ON THE BASIS OF COMPETITIVE BIDDING IN ACCORDANCE WITH PROCEDURES AND SPECIFICATIONS SATISFACTORY TO THE BANK. TENDER DOCUMENTS FOR ICE MAKING AND COLD STORAGE EQUIPMENT AND FISHING NET MAKING MACHINERIES WILL SPECIFY THAT SUPPLIERS WILL PROVIDE THE NECESSARY TECHNICIANS FOR THE INSTALLATION OF THE EQUIPMENT.

14. TOTAL COST OF PROJECT IS \$38.1 MILLION EQUIVALENT. PROPOSED ADB \$18.0 MILLION EQUIVALENT LOAN WILL FINANCE FOREX COSTS OF (I) FISH HATCHERIES IN IMPOUNDED INLAND WATERS (\$1.015 MILLION), (II) FRESH WATER SHRIMP HATCHERY (\$0.236 MILLION), (III) FISH PENS IN INLAND WATERS (0.231 MILLION), (IV) FISH CAGES IN LAKE KAPTAI (5.298 MILLION), (V) SMALL-HOLDER FISHPOND AND SHRIMP ESTATE (\$0.993 MILLION, (VI) FISH NET FACTORY (\$1.030 MILLION) (VII) FISH PROCESSING FACILITIES

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(\$0.257 MILLION), (VIII) PLANT AND STORAGE FACILITIES (\$0.783 MILLION), (IX) CONSULTANTS (0.784 MILLION), (X) PHYSICAL CONTINGENCIES (\$1.669 MILLION), AND (XI) PRICE ESCALATION (3.204 MILLION). BANK WILL ALSO PROVIDE 2.0 MILLION TO COVER PORTION LOCAL CURRENCY REQUIREMENTS. BANGLADESH WILL PROVIDE \$20.1 MILLION EQUIVALENT TO COVER REMAINING LOCAL COSTS NEEDED TO IMPLEMENT PROJECT. GOVT OF BANGLADESH WILL BE BORROWER.

15. SUBPROJECTS 2 THRU 8 INVOLVE RELENDING OPERATIONS. BKB BORROWS FROM GOB AT AN AMORTIZATION PERIOD OF 15 YEARS INCLUDING 5 YEARS RACE PERIOD AT 7 PERCENT AND RELEND TO SUBPROJECTS 2, 3, 4, 5 AND 7 AT AN AMORTIZATION PERIOD OF SIX YEARS INCLUDING ONE YEAR GRACE AT 10.5 PERCENT. FOR SUBPROJECTS 6 AND 8 AMORTIZATION IS 12 YEARS INCLUDING 2 YEARS GRACE AT 13 PERCENT. GIVEN CURRENT LOW RATE OF INFLATION (JULY 1976 - MARCH 1977) OF 3.4 PERCENT RELENDING RATES LIMITED OFFICIAL USE

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SATISFACTORY. IF PROJECT SUCCESSFUL, STAFF HAS INDICATED THEY WILL TRY TO REDUCE AMORTIZATION PERIOD OF SUBLOANS.

16. THE EIGHT SUBPROJECTS TO BE FINANCED UNDER THE PROJECT WILL LEAD TO A MAJOR EXPANSION OF AQUACULTURE SECTOR. PRINCIPAL BENEFITS UNDER THE PROJECT WILL RESULT FROM THE INCREASE IF FISH PRODUCTION BY 45,140 M.T. ANNUALLY VALUED AT \$32.9 MILLION EQUIVALENT. OF THIS TOTAL, 764 M.T. WILL BE SHRIMP FOR EXPORT VALUED AT \$6.1 MILLION. AT FULL DEVELOPMENT, PROJECT WILL PROVIDE DIRECT EMPLOYMENT TO ABOUT 3,945 PERSONS. IN ADDITION, IT IS ESTIMATED THAT SINCE THE PROJECT INVOLVES EXTENSIVE USE OF LABOR-INTENSIVE TECHNIQUES DURING THE CONSTRUCTION PERIOD, OVER 50 PERCENT OF THE PROJECT'S LOCAL CURRENCY COST OF ABOUT TK. 173 MILLION WILL BE PAID TO UNSKILLED LABORERS. THIS WILL GENERATE ABOUT 9 MILLION MANDAYS OF DIRECT EMPLOYMENT DURING THE FIVE-YEAR CONSTRUCTION PERIOD, PROVIDING AN AVERAGE OF OVER 6,000 FULL-TIME JOBS ANNUALLY FOR FIVE YEARS. INCREASED PRODUCTION OF FISH AS ENVISAGED UNDER THE PROJECT (ABOUT 4 PERCENT OF TOTAL REQUIRED NATIONAL FISH DEMAND IN 1983/84) WILL PROVIDE THE PROTEIN REQUIREMENTS OF 3.7 MILLION PEOPLE. PROJECT IS EXPECTED TO PROVIDE DIRECT BENEFITS TO ABOUT 2,000 FISH FARMERS WHO WILL OPERATE FISH PENS, CAGES AND FISH AND SHRIMP PONDS UNDER SUBPROJECTS 2, 3, 4, AND 5. IN ADDITION, IT IS ESTIMATED THAT ABOUT 100,000 RURAL FAMILIES WILL ENJOY INCREASED INCOMES AS A RESULT OF STOCKING OF OVER 46,000 HA. OF IMPOUNDED WATERS UNDER SUBPROJECT Q. FINANCIAL INTERNAL RATE OF RETURN RANGES FROM 19 PERCENT (SUBPROJECT 5) TO 60 PERCENT (SUBPROJECT 3) WHILE ECONOMIC INTERNAL RATE OF RETURN FOR ENTIRE PROJECT IS ESTIMATED AT 27 PERCENT.

17. USADB COMMENT: PROJECT APPEARS FINANCIALLY AND ECONOMICALLY ATTRACTIVE WITH A SOLID SOCIAL CONTENT IN FORM OF LIMITED OFFICIAL USE

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INCREASED SUPPLY OF RELATIVELY LOW COST PROTEIN FOOD AND SUBSTANTIAL EMPLOYMENT GENERATION. BANK RECOGNIZES, HOWEVER, IMPLEMENTATION AND COORDINATION DIFFICULTIES ASSOCIATED WITH PROJECTS IN BANGLADESH AND HAS STATED THAT SUBPROJECTS ARE SUFFICIENTLY INDEPENDENT OF EACH OTHER TO AVOID OVERLOADING EXECUTING AGENCIES. PROPOSED LOAN WOULD EXPAND SHRIMP PRODUCTION BY 764 METRIC TONS A YEAR. BANGLADESH EXPORTS ITS SHRIMP PRIMARILY IN EUROPE, JAPAN AND U.S. ANY INCREASE IN BANGLADESH'S EXPORTS TO U.S. WOULD HAVE NEGLIGIBLE EFFECT ON U.S. MARKET WHERE IN 1974 IMPORTS TOTALLED 191,000 TONS (BANGLADESH'S TOTAL OUTPUT THAT YEAR WAS 252 METRIC TONS). RECOMMEND FAVORABLE NAC ACTION. U.S. EXECUTIVE DIRECTOR PROPOSES TO COMMENT TO THE BOARD THAT MANAGEMENT CAREFULLY COMITOR IMPLEMENTATION OF THIS PROJECT.

18. REQUEST AMEMBASSY DACCA'S COMMENTS FOR NAC AGENCIES, INFO USADB MANILA, PURSUANT TO STATE 119795 DATED 3 JULY 1972. EDMOND

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Message Attributes

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